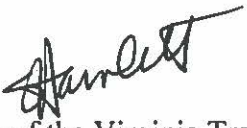


**MEMORANDUM**

**TO:** The Honorable Luke E. Torian  
The Honorable Vivian E. Watts  
The Honorable Delores L. McQuinn  
The Honorable Janet D. Howell  
The Honorable David W. Marsden

**FROM:** Stephanie L. Hamlett, Executive Director   
Virginia Resources Authority, as Manager of the Virginia Transportation  
Infrastructure Bank

**DATE:** July 30, 2020

**SUBJECT:** Virginia Transportation Infrastructure Bank - Biannual Report

Chapters 830 and 868 of the 2011 Acts of Assembly created the Virginia Transportation Infrastructure Bank (“VTIB”). As required by § 33.2-1507 of the *Code of Virginia*, Virginia Resources Authority (“VRA”), as Manager of the VTIB, hereby submits its six-month report for the period of January 1, 2020, through June 30, 2020.

**VTIB Outstanding Loans:**

<b>Borrower:</b>	City of Chesapeake
<b>Closing date:</b>	November 15, 2012
<b>Amount:</b>	\$119,700,130
<b>Rate:</b>	3.33%
<b>Term:</b>	Not to exceed 35 years after project completion
<b>Security:</b>	Subordinate Chesapeake Transportation System toll revenues
<b>Project Name:</b>	U.S. Route 17/Dominion Boulevard Project
<b>Project Description:</b>	Expand Dominion Boulevard from two to four lanes
<b>Total Cost:</b>	\$345,178,111 (Other funding includes Senior Toll Road Revenue Bonds and federal and state sources)
<b>Project Status:</b>	Complete
<b>Outstanding Loan Balance:</b>	\$129,093,352 (including capitalized interest)
<b>Loan Repayments:</b>	Annual principal and interest payments began on July 15, 2019
<b>Loan Terms:</b>	Debt service ramp-up projected to begin in 2030. Potential for partial prepayment of VTIB loan on an annual basis dependent upon the overall performance of the Chesapeake Transportation System

## MEMORANDUM

July 30, 2020

Page 2 of 6

<b>Borrower:</b>	City of Chesapeake (continued)
<b>Final Loan Maturity Date:</b>	July 15, 2051
<b>Debt Service Reserves:</b>	VTIB loan reserves exist to pay debt service until July 15, 2023

<b>Borrower:</b>	Economic Development Authority of Loudoun County
<b>Closing date:</b>	December 12, 2013
<b>Amount:</b>	\$34,991,791 construction loan (including capitalized interest)
<b>Rate:</b>	2.83%
<b>Term:</b>	Not to exceed 20 years after the date of loan closing
<b>Security:</b>	First lien on unsold parcels within the Kincora property
<b>Project Name:</b>	Pacific Boulevard Extension and Expansion Project
<b>Project Description:</b>	Expansion of Pacific Boulevard from two to four lanes; four-lane extension of Pacific Boulevard from its intersection with Gloucester Parkway to connect with the Russell Branch Parkway
<b>Project Status:</b>	Complete
<b>Outstanding Loan Balance:</b>	\$19,831,841
<b>Loan Terms:</b>	Sale of parcels within the development results in partial mandatory prepayment of the VTIB loan
<b>Loan Repayments:</b>	Principal and interest payments are due semi-annually
<b>Final Loan Maturity Date:</b>	December 1, 2033

<b>Borrower:</b>	Chesapeake Bay Bridge and Tunnel District
<b>Closing date:</b>	November 10, 2016
<b>Amount:</b>	\$50,000,000 construction loan (plus capitalized interest)
<b>Rate:</b>	2.90%
<b>Term:</b>	Not to exceed 35 years after project completion
<b>Security:</b>	Subordinate toll system revenues
<b>Project Name:</b>	Parallel Thimble Shoal Tunnel
<b>Project Description:</b>	The project will build a new two-lane tunnel parallel to the existing tunnel to address capacity constraints and safety issues
<b>Total Cost:</b>	\$979,049,842 (Other funding includes Senior Toll Road Revenue Bonds, TIFIA loan, and available cash)
<b>Project Update:</b>	Construction on the project started in October 2017 with final construction completion estimated for 2024
<b>Amount Disbursed:</b>	\$1,336,490. Remaining VTIB loan disbursements are expected to be drawn close to project completion in 2023 and 2024
<b>Outstanding Loan Balance:</b>	\$1,336,490

## MEMORANDUM

July 30, 2020

Page 3 of 6

<b>Borrower:</b>	Chesapeake Bay Bridge and Tunnel District (continued)
<b>Loan Terms:</b>	Capitalized interest for up to four years; debt service ramp-up projected to begin in 2029
<b>Payment of Interest Begins:</b>	January 1, 2021, and recurs semi-annually
<b>Payment of Principal Begins:</b>	Projected to begin July 1, 2025, and recurs annually
<b>Final Loan Maturity Date:</b>	Projected for July 1, 2054
<b>Debt Service Reserves:</b>	VTIB loan reserves exist to pay debt service until July 1, 2024

<b>Borrower:</b>	City of Alexandria
<b>Closing date:</b>	December 21, 2016
<b>Amount:</b>	\$50,000,000 construction loan (plus capitalized interest)
<b>Rate:</b>	2.17%
<b>Term:</b>	Not to exceed 27 years after project completion
<b>Security:</b>	Potomac Yard Tier I Special Assessment Tax District revenues; City moral obligation pledge
<b>Project Name:</b>	Potomac Yard Metrorail Station
<b>Project Description:</b>	The Potomac Yard Metrorail Station will be located on the existing Metro Blue and Yellow lines and will serve the City of Alexandria's planned Potomac Yard redevelopment project which will allow for 9-13 million square feet of redevelopment
<b>Total Cost:</b>	\$370,000,000 (Other funding sources include a Northern Virginia Transportation Authority grant, State Funding, and a TIFIA loan or general obligation bonds)
<b>Project Update:</b>	Project groundbreaking occurred in 2019, with substantial completion targeted for 2022. Draws on the VTIB loan may as early as the second half of 2020
<b>Amount Disbursed:</b>	None
<b>Loan Terms:</b>	Capitalized interest for up to 4.5 years; after substantial project completion date, 25% of annual net revenues generated within Potomac Yard (consisting primarily of new City tax revenues and special assessment tax revenues) which exceeds \$10 million will be used to prepay principal on the VTIB loan
<b>Loan Repayments:</b>	Semi-annual principal and interest payments are projected to begin March 1, 2027
<b>Final Loan Maturity Date</b>	27 <sup>th</sup> anniversary of project substantial completion date

## MEMORANDUM

July 30, 2020

Page 4 of 6

<b>Borrower:</b>	95 Express Lanes LLC
<b>Closing date:</b>	July 25, 2017
<b>Amount:</b>	\$45,000,000 construction loan (plus capitalized interest)
<b>Rate:</b>	3.60%
<b>Term:</b>	Final Maturity of December 31, 2047
<b>Security:</b>	Subordinate system toll revenues generated by the I-95 and I-395 Express Lanes
<b>Project Name:</b>	I-395 Express Lanes Northern Extension
<b>Project Description:</b>	The I-395 Express Lanes Northern Extension would extend the existing 95 Express Lanes by 8 miles north along Interstate 395
<b>Total Cost:</b>	\$345,000,000 (Other funding includes First-Tier Toll Revenue Bonds and equity contributions)
<b>Project Update:</b>	The I-395 Express Lanes opened in November 2019 with final completion expected in Summer 2020
<b>Amount Disbursed:</b>	\$45,000,000
<b>Outstanding Loan Balance:</b>	\$45,401,670 (including capitalized interest)
<b>Loan Terms:</b>	Capitalized interest for one year; debt service ramp-up scheduled to begin in 2035
<b>Payment of Interest Begins:</b>	Begins December 31, 2020, and recurs semi-annually
<b>Payment of Principal Begins:</b>	Begins June 30, 2024, and recurs semi-annually
<b>Final Loan Maturity Date:</b>	December 31, 2047
<b>Debt Service Reserves:</b>	VTIB loan reserves exist to pay debt service until December 31, 2021

**VTIB Pending Applications**

No current pending VTIB loan applications exist.

**Loan Defaults and Portfolio Monitoring**

No VTIB loans are in default. However, 95 Express Lanes LLC was downgraded from BBB to BBB- by S&P Global Ratings on April 13, 2020. The downgrade was in response to the sharp drop in traffic revenues driven by the impacts of COVID-19. Despite the downgrade, debt service reserves exist, ensuring the payment of VTIB debt service until December 31, 2021. The portfolio of VTIB borrowers will continue to be monitored for deviations in financial performance, which may impact a borrower's ability to pay debt service during the pandemic.

## MEMORANDUM

July 30, 2020

Page 5 of 6

**Fund Uses and Remaining Availability**

Please refer to the following table for the total capitalization of VTIB and the VTIB funds which remain available totaling approximately \$98.1 million:

<b>Virginia Transportation Infrastructure Bank (Fund 0450)</b>	
<b>Life to Date, as of June 30, 2020</b>	
Capitalization to date	\$ 311,378,287
Interest Earnings	25,064,382
Transportation Trust Fund and Highway Maintenance and Operating Fund Earnings	37,625,735
Other	883
Expenditures	(955,521)
<b>Funds Available for VTIB Loans</b>	<b>\$ 373,113,767</b>
<i>Plus - Loan Repayments:</i>	
City of Chesapeake - Dominion Boulevard	\$ 6,078,156
EDA of Loudoun County - Pacific Boulevard	17,624,779
Chesapeake Bay Bridge and Tunnel District - Thimble Shoal Parallel Tunnel	-
City of Alexandria - Potomac Yard Metrorail Station	-
<b>Total Loan Repayments</b>	<b>\$ 23,702,935</b>
<i>Less - Closed Loans:</i>	
City of Chesapeake - Dominion Boulevard	\$ 119,700,130
EDA of Loudoun County - Pacific Boulevard	34,004,416
Chesapeake Bay Bridge and Tunnel District - Thimble Shoal Parallel Tunnel	50,000,000
City of Alexandria - Potomac Yard Metrorail Station	50,000,000
95 Express Lanes LLC - I-395 Express Lanes	45,000,000
<b>Total Closed Loans</b>	<b>\$ 298,704,546</b>
<b>Remaining Available VTIB Funds</b>	<b>\$ 98,112,156</b>

**Closed Loans Amounts Drawn and Available**

Please refer to the table below for the total amounts drawn to date for each of the closed loans:

	<b>Closed Loans</b>	<b>Amount Disbursed</b>	<b>Amount Available</b>
City of Chesapeake - Dominion Boulevard	\$ 119,700,130	\$ 119,700,130	\$ -
EDA of Loudoun County - Pacific Boulevard	34,004,416	34,004,416	-
CBBT - Thimble Shoal Parallel Tunnel	50,000,000	1,336,490	48,663,510
City of Alexandria - Potomac Yard Metrorail	50,000,000	-	50,000,000
95 Express Lanes LLC - I-395 Express Lanes	45,000,000	45,000,000	-
<b>Totals</b>	<b>\$ 298,704,546</b>	<b>\$ 200,041,036</b>	<b>\$ 98,663,510</b>

MEMORANDUM

July 30, 2020

Page 6 of 6

**Minimum Scheduled Loan Repayments (Projected)**

Please refer to the table below for the total amount of projected VTIB loan repayments currently scheduled during the next decade. The table reflects the minimum amount of principal payments, which may be higher based upon the financial performance of the projects and related loan security:

<b>Virginia Transportation Infrastructure Bank (Fund 0450)</b>			
<b>As of June 30, 2020</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
FY2021	300,000	5,540,741	5,840,741
FY2022	303,330	6,560,078	6,863,408
FY2023	306,771	6,550,977	6,857,748
FY2024	310,326	6,541,762	6,852,088
FY2025	319,000	8,058,351	8,377,351
FY2026	427,648	8,045,027	8,472,675
FY2027	481,571	8,574,688	9,056,259
FY2028	535,624	9,100,448	9,636,072
FY2029	539,813	9,089,462	9,629,274
FY2030	997,983	9,065,474	10,063,457
<b>Totals</b>	<b>\$ 4,522,067</b>	<b>\$ 77,127,007</b>	<b>\$ 81,649,074</b>

cc: The Honorable Shannon Valentine, Chairperson, Commonwealth Transportation Board  
Board of Directors, Virginia Resources Authority